MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

BHR 3614 – HUMAN RESOURCE MANAGEMENT

(All sections / Groups)

29th May 2017
9.00am – 12.00pm
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **FIVE (5)** pages with **FIVE (5)** Questions only.
2. Answer **ALL** questions. The distribution of the marks for each question is given.
3. Please write your answers in the Answer Booklet provided.

QUESTION 1

EY (formerly known as **Ernst & Young**) is a multinational professional services firm headquartered in London, United Kingdom. EY is one of the largest professional services firm in the world and is one of the "Big Four" accounting firms.

The organisation operates as a network of member firms which are separate legal entities in individual countries. It has 231,000 employees in over 700 offices around 150 countries in the world.

The firm dates back to 1849 with the founding of Harding & Pullein in England. The current firm was formed by a merger of Ernst & Whinney and Arthur Young & Co. in 1989. It was known as Ernst & Young until 2013, when it underwent a rebranding to EY. The acronym "EY" was already an informal name for the firm prior to its official adoption.

In 2016, *Fortune* magazine ranked EY as 49th of the 100 Best Companies to Work For, and in 2016, EY is the 11th largest privately owned organization in the United States. E&Y has plans to recruit Management Trainees for its consultancy divisions in Malaysia, Thailand and Singapore. The human capital unit wants to use psychological tests. A test is basically a sample of a persons' behaviour.

Using a test or any other selection tools assuming that the test is both valid and reliable. How do you establish the reliability and validity methods?

[Total: 15 Marks]

QUESTION 2

KPMG has global network of member firms operating in 150 countries, employing 140,000 employees. Thus, KPMG has to recruit large number of professionals every year to cope with its fast expansions.

Explain forecasting techniques that could be used for projecting human resource needs. Discuss their advantages and disadvantages.

[Total: 15 Marks]

Continued...

QUESTION 3

Organisations appraise the performance of their employees in both management and operative perspectives. Critically evaluate the methods of appraising. Explain the errors while appraising.

[Total 15 Marks]

QUESTION 4

Equity theory of motivation postulates that people are strongly motivated to maintain a balance between what they perceive as their contributions and their rewards. With respect to compensation, managers focus on **FOUR (4)** forms of Equity.

Explain **FOUR (4)** forms of equity. Discuss how the top management address equity issues.

[Total 15 Marks]

Continued....

QUESTION 5

SCENARIO

The Sing Song Sdn Bhd is a retail giant company in Malaysia. It has branches in all the states of Malaysia and directly employs over 300 members of staff. Two-thirds of employees are employed full-time on 39-hour contracts with working times varying from week to week. Any hours worked beyond this are paid as overtime. The remaining third of employees are part-time (up to 25 hours per week). This structure appears to provide a balance between the need for flexibility in predictably busier periods throughout the year and as cover for short-term increases in demand. Management also make extensive use of return staff, mainly students who live in the area during term time or holiday periods, to provide a further element of labour flexibility. Such employees are seen as a ready supply of trained labour but who have no claim to minimum hours, that can be shed with limited notice and who are most willing to work unsociable hours.

Further shortfalls in labour are met either by other casual labour (e.g. recruited via temping agencies) or by increasing permanent staff hours at short notice. Contracted casual employees are 'on-call' so that managers can demand that employees work 'as and when required'. Management seeks to minimise the potentially damaging effects on service quality by minimising the use of 'temp' casuals and ensuring that, whilst providing a degree of flexibility, most employees are a *'known quantity'* and have received at least some training by the company. Moreover, rather than relying solely on numerical forms of flexibility (altering staffing levels in line with demand), *The Sing Song Sdn Bhd* attempts to meet the challenge of variable demand by training members of staff across a range of different areas; a rudimentary form of skills flexibility. The approach to staffing adopted at *the company* appears to reflect a compromise between the need for labour flexibility and employee stability with management attempting not to overly manipulate employee hours simply to meet the direct needs of the organisation.

In terms of employee involvement and communication, formal departmental meetings are held weekly for staff to discuss operational aspects of the hotel. Open staff meetings are held monthly, for both permanent and casual employees, the purpose of which is twofold. Firstly, to pass on information on the performance of the retail giant and secondly, to act as a forum in which staff can ask questions directly of the general manager. Most importantly, a consultative committee, known as the 'Employee Forum' meets monthly and is chaired by the hotel general manager or the personnel manager. This forum is comprised of elected staff representatives from each department and allows staff to raise issues related to their working environment. It is also where recognition is passed on to staff for good service and employee representatives vote for an 'employee of the month'.

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Staff turnover is not considered a significant problem at The Sing Song Sdn Bhd albeit within the context of the industry. Management reported annual turnover rate of approximately 40 % (the company target is 25%and turnover in other retail companies can be considerably higher). However, the HR manager claimed to do a significant amount of work to reduce this figure, particularly in the recruitment process. For example, department managers received training in interviewing techniques and ensured that candidates are made aware of the idiosyncrasies and demands of the industry.

In addition, staff retention is targeted by ensuring staff development is offered to *'capable'* employees and good performance is rewarded and recognised. Turnover is mainly attributed to mistakes made in recruitment and candidates' misconceptions about the industry generally, specifically pay levels and working hours. This is reflected in the fact that departing staff rarely left to work in other retail shops, unless at a higher level, but tended to leave the industry. Absenteeism at *The Sing Song Sdn Bhd* is considered acceptable. The personnel manager at the hotel suggested that an environment in which 'team-working' has evolved at the hotel and a degree of peer pressure discourages unnecessary absence.

Management at *The Sing Song Sdn Bhd* considered skills shortages to be a huge problem in the industry, compounded by the highly-competitive nature of the local labour market where it is felt that during most of the year most employees would be able to leave employment and gain employment *'five minutes down the road'* in another. The HR manager claims however that the inherent local skills shortages are not felt as keenly in this hotel as in others because their image as a 'good employer' is useful in attracting and retaining staff. The package of benefits available to staff are described by management as 'exceptional' and are claimed to be central in recruiting and retaining high-quality, skilled employees.

a. What are the concerns of these temporary employees since the retail company uses their services that the managers and the supervisors should know?

[10 Marks]

b. How the management does takes care of skills shortage of the employees in the retail outlets?

[5 Marks]

Continued....

c. How do you think that damaging effects of service quality of the employees is managed?

[5 Marks]

d. What steps are taken by the management to get employees involvement in retail functioning? Discuss issues related the work.

[10 Marks]

e. What steps do you think the management of this retail giant try to reduce employee's turnover?

[10 Marks]

[Total 40 Marks]

End of question paper